

## Message Text

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ACTION EB-08

INFO OCT-01 IO-13 ISO-00 AGRE-00 SSO-00 NSCE-00 INRE-00

USIE-00 CIAE-00 DODE-00 PM-05 H-01 INR-07 L-03

NSAE-00 PA-01 PRS-01 SP-02 SS-15 AID-05 TRSE-00

STR-05 OMB-01 CEA-01 COME-00 ITC-01 OIC-02 AF-10

ARA-10 EA-10 EUR-12 NEA-10 /124 W

-----063613 121827Z /41

O 121803Z SEP 77

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 1024

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EO 11652: N/A

TAGS: EAGR, ETRD

SUBJ: UNCTAD SUGAR CONFERENCE-REACTIONS TO FIRST DAY SESSION

1. UNCTAD SUGAR CONFERENCE CHAIRMAN JONES-PARRY RELEASED HIS PROPOSAL ON BASIC EXPORT TONNAGES AFTERNOON SEPT 12. TEXT TRANSMITTED SEPTTEL. AFTER BRIEF ANALYSIS, US DEL SEES FOLLOWING POTENTIAL PROBLEMS WITH JONES-PARRY FORMULATION:

A) "NET TOTAL" EXPORTS TO FREE MARKET (16,462,750 METRIC TONS) IN 1978 APPEAR TOO LARGE TO ACHIEVE MINIMUM PRICE OBJECTIVE.

B) REASONING USED TO REACH "NET TOTAL" EXPORTS IN 1978 IS REVERSE OF WHAT US HAD ENVISAGED. INSTEAD OF SETTING EXPORT QUOTAS WHICH COULD BE REDUCED, MAXIMUM QUOTA CUTS (15PERCENT) ARE UTILIZED (I.E. APPLIED TO B.E.T.S) AS VERY BEGINNING TO ACHIEVE ROUGH APPROXIMATION WITH FREE MARKET DEMAND.

C) SHORTFALLS WILL NOT BE REDISTRIBUTED BUT INSTEAD WILL BE USED TO "BRING SUPPLY AND DEMAND IN 1978 INTO RELATIVE BALANCE."

D) IT IS ASSUMED THAT EC WILL JOIN AND WILL ACCEPT ADDITIONAL STOCKING EQUIVALENT OF 15PERCENT REDUCING ITS EXPORT AVAILABILITY FROM 2 MILLION TO 1.7 MILLION TONS IN 1978.

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E) JONES-PARRY PROPOSAL PROVIDES EXTRA QUOTAS FOR SMALL LDC EXPORTERS IN TEMPORARY NEED FROM THE SECOND YEAR ONWARDS.

2. INITIAL REACTION TO JONES-PARRY PROPOSAL AMONG DELEGATES HAS BEEN GUARDED. BRAZIL APPEARS TO BE THE BIG LOSER MOVING FROM FIRST PLACE IN JONES-PARRY'S MAY CALCULATIONS TO THIRD PLACE IN CURRENT PROPOSAL. THERE IS ALSO CONSIDERABLE

UNDERCURRENT THAT CUBA RECEIVED PREFERENTIAL TREATMENT ON  
LATEST ALLOCATION.

3. IT LIKELY THAT SERIOUS PROTESTS TO JONES-PARRY PROPOSAL  
WILL BEGIN TO BE HEARD TOMORROW (SEPT 13). JONES-PARRY HAS  
ANNOUNCED CREATION OF A QUOTA APPEALS BOARD COMPOSED  
OF HIMSELF AND A SENIOR UNCTAD OFFICIAL WHO IS EXPECTED TO BE  
CHIDZERO.VANDEN HEUVEL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, EXPORTS, MEETINGS  
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**Disposition Date:** 22 May 2009  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Review Markings:**  
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